

91-023

July 8, 1991

Education employers of PERS and TRS members

Changes in Plan II eligibility and implementation of partial service credit for PERS Plan I and Plan II and TRS Plan II

Substitute House Bill (SHB) 1268 of 1991 has changed the eligibility standard for PERS Plan II and TRS Plan II. SHB 1268 also enacts partial service credit for members of PERS Plan I and Plan II and for TRS Plan II. These changes are effective September 1, 1991. This DRS Notice explains the new rules and how they will affect employers. The reference charts attached to this Notice provide eligibility and service credit information in a convenient format.

PERS Plan II and TRS Plan II Eligibility

Effective September 1, 1991, PERS Plan II and TRS Plan II eligibility is established when an employee occupies a position which normally requires at least **70 hours** of work per month in at least five months during each year.

In determining position eligibility for PERS, *year* means any 12-month period established by the employer to evaluate eligibility. *Year* in this context does not necessarily mean a school year, calendar year, or fiscal year, though an employer may use one of these to evaluate a specific position. In determining position eligibility for TRS Plan II, *year* means the 12-month period from September 1 through August 31 of the following year.

NOTE: The eligibility criteria will be the same for both PERS Plan I and PERS Plan II, as well as for TRS Plan II, effective September 1, 1991.

PERS II and TRS II Position Eligibility Should Be Reviewed

These changes in eligibility criteria may affect the eligibility of some of your positions. You should review your ineligible positions and determine whether they will become eligible as of September 1 when the new law takes effect. If you have employees whose positions will become eligible under the new rules, have each of them complete a DRS Enrollment Form

(if necessary); begin to report them on your transmittal report for the September 1991 earning period. (For more information about when an Enrollment Form is required, see DRS Notices 91-002 and 91-008.)

When you need to evaluate service for periods prior to September 1, 1991, use the eligibility standard that was in effect during the period the service was performed. The attached Eligibility Reference Chart should help you evaluate earlier periods of service.

No Changes in PERS Plan I Eligibility

You will continue to determine PERS Plan I eligibility as you have in the past. An eligible position is one which normally requires at least 70 hours of work per month in at least five months during each year. In determining position eligibility, *year* means any 12-month period established by the employer to evaluate eligibility. *Year* in this context does not necessarily mean a school year, calendar year, or fiscal year, though an employer may use one of these to evaluate a specific position.

Partial Service Credit

Partial service credit applies to PERS Plan I, PERS Plan II, and TRS Plan II. The standards for a member in an eligible position to earn a **full year** or a **full month** of service credit are unchanged.

Full Year Service Credit

To earn a full year (12 months) of service credit, the member must:

- be employed in an eligible position
- earn compensation in at least 9 months of the school year
- earn compensation for at least 630 hours (PERS Plan I) or 810 hours (PERS and TRS Plan II)

Partial Year Service Credit

Effective September 1, 1991, a PERS Plan II or TRS Plan II member in an eligible position will earn partial yearly service credit when he or she does not meet the criteria for a full year of credit. If the member does not qualify for a full year of service credit, he/she may earn 6 months of service credit as shown below.

To earn 6 months of service credit, the PERS Plan II or TRS Plan II member must:

- be employed in an eligible position
- earn compensation in at least 9 months of the school year
- earn compensation for at least 630 hours during the school year but less than 810 hours

PERS Plan I members do not earn partial service credit on a yearly basis. A Plan I member who does not meet the yearly criteria listed on page 2 of this Notice will earn full or partial service

credit calculated on a monthly basis.

Full Month Service Credit

If the member does not meet the requirements to earn yearly service credit, he or she may earn service credit on a monthly basis. To earn a full month of service credit, the member must:

- be employed in an eligible position
- earn compensation for at least 70 hours (PERS Plan I) or 90 hours (PERS and TRS Plan II) during the month

Partial Month Service Credit

If members do not meet the criteria for a yearly calculation of service credit or a full month of credit, they may earn partial service credit on a monthly basis.

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| PERS Plan I/
member occupies an eligible
position | – The member who earns compensation, but for less than 70 hours in a given month will earn ¹ / ₄ month of service credit |
| PERS Plan II
&
TRS Plan II/
member occupies an eligible
position | – The member who earns compensation, but for less than 70 hours in a given month will earn ¹ / ₄ month of service credit |
| | – The member who earns 70 hours or more of compensation but less than 90 hours will earn ¹ / ₂ month of service credit |

Because members working in eligible positions will earn at least partial service credit in any month in which they earn compensation, employers should always withhold and report contributions on earnable compensation paid to eligible employees, effective with the September 1991 earning period. DRS Notice 91-019 notified you that you will no longer use transmittal status code “L” for any earning period after August 1991.

No Changes in TRS Plan I Reporting

SHB 1268 of 1991 made no changes in TRS Plan I membership or service credit. Continue to report TRS Plan I members as you have in the past.

Questions?

If you have questions related to partial service credit or eligibility, you may contact the DRS Membership Section at (206) 753-3113, SCAN 234-3113. Questions about transmittal reporting may be directed to the DRS Employer Relations Unit at (206) 753-8696, SCAN 234-8696.

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George Northcroft
Director

1991 DRS Notices

Check this list to make sure you have received all DRS Notices that apply to you and/or your employees. If you need a copy of a Notice you did not receive, call the DRS Technical Writing Unit at (206) 586-4515, SCAN 321-4515.

Notice No.	Applies to/ Subject matter	Notice No.	Applies to/ Subject matter
91-001	All employers Transmittal report due dates	91-014	All employers Public hearings on proposed rules and amendments
91-002	PERS and TRS employers New Enrollment Form	91-015	All employers Final rules for interest charge on past-due accounts
91-003	LEOFF, Judicial, and WSP employers New Enrollment Form	91-016	School Districts, ESDs, and SPI TRS member contributions and work for non-TRS employers
91-004	PERS employers "PERS Disability Benefits" brochure	91-017	All employers Summary of 1991 retirement-related legislation
91-005	PERS employers Members' Annual Statements	91-018	All employers Member contribution refund form
91-006	LEOFF, Judicial, and WSP employers Members' Annual Statements	91-019	PERS, TRS, and LEOFF employers Changes in transmittal reporting
91-007	All employers Proposed rules for interest charge on past-due accounts	91-020	All employers Filing of final rules: WAC 415-114, 415-115, and 415-116
91-008	PERS and TRS employers Enrollment Form (DRS 101006)	91-021	All employers Interest charge and the new accounts receivable statement
91-009	LEOFF, Judicial, and WSP employers Enrollment Form (DRS 101006)	91-022	PERS non-education employers Plan II eligibility and partial service credit
91-010	Higher Education employers Transmittal report type codes	91-023	Education employers Plan II eligibility and partial service credit (PERS and TRS)
91-011	PERS employers Employee suggestion awards		
91-012	Employers who submit non-automated transmittal reports Converting to an automated transmittal reporting format		
91-013	PERS employers (excluding State agencies) Billings for Excess Compensation charges		
